HE SARURDAY EVENING POST--- EXTRA.

PHILADELPHIA, SATURDAY, MAY 8, 1880.

erable expense, we have added to our present as one of the best state bank, by the committee on ways and means. This report, we regard as one of the best state thave been promulgated during the present sesher this Supplement, containing the Report of the United States Bank, by the committee on ways and means. This report, we regard as one of the best state thave been promulgated during the present sesher this Supplement, containing the Report of the United States Bank, by the committee on ways and means. This report, we regard as one of the best state that the present as well as future welfare of his country, and wishes to Congress. We believe it will be interesting to every intelligent American, who values the present as well as future welfare of his country, and wishes to uainted with its financial concerns.

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t, exhibits the followor the decision of the Naon the constitutional power

nt to establish and main dient to establish " a Nation

led upon the credit of the urrence of all the departvernment, at different pe

tory, under every adm ring the acceptance of the same of the sam of Congress to incorporate a assumed as a postulate no controversy. In a little years after the Government on, and at a period when n were either in the Exneile the United a dwell on tikes of Constanted on the Unit willed on the state of Constanted of the part o

and thy bloom of over the Congress to pass the filin, was theroughly investhe Executive Cabinet and er circumstances, in all recal parties, and the question , decided by those, who, owledge and experience, qualified to decide correctentirely free from the influjustly impair, in the estima-the authority of a legislative the constitutional charter. be more competent to give on to the Constitution, than a principal agency in framremption from all those in-, sometimes, pervert of the most wise and paof the Father of his Counfirst term of his service.

the circumstances, under branches of the National mnly determined that the ling a National Bank was ress by the Constitution .nty years-the period for lic and private credit were prostrate to a very elevated the finances of the nation on the most solid founda-

committee believe, to the

States; and, although he co of that institution, at New another to punish the counbills, yet, when the question umed as a party question. e of the most distinguished circumstances of a very different, but equal-uding Mr. Gallatin, then ly decisive character. We find the very ory, and Mr. Craw-party which had so recently defeated the proposition to renew the charter of the sid

and delicate trust exclu-de to Congress by the Fede-they have proceeded to aty assigned to them with a lense of its magnitude and

In less than three years after the expiration of the charter—the war with Great Britain baving taken place in the mean time—the circulating medium became so disordered, the public finances so deranged, disordered, the public finances so deranged, and the public credit so impaired, that the enlightened patriot, Mr. Dallas, who then presided over the Treasury Department, with the sanction of Mr. Madison, and, as it is believed, every member of the cabinet, recommended to Congress the establishment of a National Bank, as the only measure that the enable sendit could be sure by which the public credit could be revived, and the fiscal resources of the Government redeemed from a ruinous, and otherwise incurable embarrassment: and, such had been the impressive lesson taught by a very brief, but fatal experience, that the ascendancy of both by a very brief, but fatal experience, that parties, into which the the very institution, which had been so recently denounced, and rejected by the re publican party, being now recommended by a republican administration, was carried through both branches of Congress, as a republican measure, by an overwhelming majority of the republican party. It is true that Mr. Madison did not approve and sign the bill which passed the two Houses, be-cause it was not such a bill as had been recommended by the Secretary of the Treasury, and because the bank it proposed to create, was not calculated, in the

repeated recognitions, under varied circum-stances, of the validity of such an institution in acts of the Legislative, Executive, and Judicial branches of the Government, accompanied by indications, in different modes, of a concurrence of the general will of the as at that time, no organi-al parties, and the question troduced, and would, in all probability, have become a law, had not the news of peace, by doing away the pressure of the emerbecome a law, had not the news of peace, by doing away the pressure of the emergency, induced Congress to suspend further proceedings on the subject, until the ensuing session. At the commencement of that session, Mr. Madison invited the attention of Congress to the subject, and Mr. Dulles again urself the necessity of esta-Dailas again urged the necessity of esta-blishing a bank to restore the currency, and facilitate the collection and disbursement of the public revenue; and so deep and solemn was the conviction upon the minds of the public functionaries, that such an institution was the only practicable mean of restoring the circulating medium to a state of soundness, that, not withstanding the decided opposition of all the state banks debtors, and, indeed, the whole debtor class of the community, the act, in-corporating the present Bank of the United States, was passed by considerable majori-ties in both branches of Congress, and ap-

proved by Mr. Madison.

This brief history of the former and present bank, forcibly suggests a few practical reflections. It is to be remarked, in the first place, that, since the adoption of the Constitution, a bank has existed under the authority of the Federal Government, for reign power. thirty-three out of forty years; o charter expired, in 1811, time, public and private credit have been ration to do any thing, which the individuals of having a common tend to renew it, principally maintained at an elevation fully equal to composing it might not do without the charter throughout the union.

Set the report of the composing it might not do without the charter throughout the union. But, even if it should be the report of the composing it might not do without the charter throughout the union. tate of political parties. Soon world: whereas, in the two short intervals, was chartered, the two great during which no national bank existed, public and private credit were greatly impaired, and in the latter instance, the fiscal and Mr. Madison, the former operations of the Government were almost been opposed to the estatilities bank, on constitutional being placed at the head of the favourable to the extenourable to the exten- calculated to give the highest authority to vers of the Government, by the decision. The first instance, as has bank question came to be been already remarked, was in the primisome degree, the test of tire days of the republic, when the patriots of the Revolution, and the sages of the of the Revolution, and the sages of the Jofferson came into power, Federal Convention, were the leading members both of the Executive and Legislative councils; and when General Washington, who, at the head of her armies, had independence. nited States; and, although he conducted his country to independence, at sanction to an act, creating and, as the head of the Convention, had presided over those deliberations which resulted in the establishment of the present Constitution, was the acknowledged Presi-

dent of a people, undistracted by party di-visions. The second instance was under

or of all the departments of the Government bears to another of the powers of the Federal Government, but slightly adverted to in binding authority which belongs to judicial former discussions of the subject. prece tents, in cases of mere private right, dinary acts of the Legislature. No length of prescription, or concurrence of authority, can consecrate the usurpation of powers subversive of public liberty, and destructive of public happiness. But, where the power exercised is clearly conductive to the public welfare, and its constitutionality is merely doubtful, it would seem to be one of the President, to relieve the necessities of the most obvious dictates of practical wisdom, to regard the decision of those who wisdom, to regard the decision of those who wisdom, to regard the decision of those who wisdom, to regard the best means of ascertaining the interior of the Commission, and who were bank, as being precluded, in his principle.

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If congress, under the authority to pass cy.

An argument in favour of the view.

An argument in favour of the view. the union to give credit to whom he chooses, the grant of power to "coin money and fix and to obtain credit where he can get it. It is not the policy of any commercial country to restrict the free circulation of credit, whether in the form of promissory notes, bills of exchange, or bank notes. The charter of the Bank of the United States, therefore, merely enables the corporation to do, in an artificial capacity, and with more convenience, what it would be lawful for the individual corporators to do without incorporation. Mr. Girard established a bank in Philadelphia without a charter, which was in very high credit within the sphere of its circulation; and it cannot be doubted, that he might have formed a banking co-partnership with the principal capital ing co-partnership with the principal capi-talists in the other commercial cities of the Union, of which the bills would have had a general credit in every part of the country, particularly if the Federal Government had provided that these bills should be received

opposed the renewal of the charter in 1811, as strenuously supported the proposition to grant the charter in 1816.

That may be said of the bank charter, which can be said of few contested questions of constitutional power. Both the great political parties that have so long divided the country, have solemnly pronounced it to be constitutional, and there are but very few of the prominent men of either party, who do not stand committed in its favour. When, to this imposing array of "necessary and proper," or in other words, a natural and appropriate means of execut-ing the powers ested in the Federal Goparty, who do not stand committed in its favour. When, to this imposing array of authorities, the committee add the solemn and unanimous decision of the Supreme Court, in a case which fully and distinctly submitted the constitutional question to their cognizance, may they not ask, in the language of Mr. Dallas, "can it be deemed a violation of the right of private opinion to consider the constitutionality of a national bank as a question forever settled and at rest?"

And here the committee beg to be distinctly understood, as utterly disclaiming the idea of ascribing to the decision of any relation which the bank of the United States tinctly understood, as utterly disclaiming the committee will proceed to examine the idea of ascribing to the decision of any

The power to "coin money and fix the value thereof," is expressly and exclusively erely doubtful, it would seem to be one maintained in circulation by being the authority at least to overrule theoretical objections and silence individual scruples.

The committee will now submit a few remarks, with the design of showing, that, viewing the constitutionality of the bank as an original question, the arguments in its favour are at least as strong as those against its value, because it is not "coined?" favour are at least as strong as those against it.

The earliest, and the principal objection urged against the constitutionality of a national bank, was, that Congress had not the power to create corporations. That Congress has a distinct and substantive power to create corporations. That diction, is a proposition which never has been maintained, within the knowledge of the committee; but, that any one of the powers expressly conferred upon Congress, is subject to the limitation, that it shall not be carried into effect by the agency of a corporation, is a proposition which cannot be maintained, in the opinion of the committee. term was used as synonymous with curren-

If congress, under the authority to pass all aws, necessary and proper for carrying into effect the powers rested in all or any of the departments of the government, may of the departments of the government, may in the departments of the government, may of the departments of the government, may of death, without any other authority, it is difficult to conceive why it may not pass a law, under the same authority, for the more humble purpose of creating a corporation. The power of creating a corporation is one of the lowest attributes, or, more properly speaking, incidents of sovereign power. The chartering of a bank, for example, does not authorize the corpo

provided that these bills should be received in discharge of its dues. The only material particular in which the charter of the bank of the United States confers a privilege rapon the corporation, apparently inconsistent with the state laws, is, the exemption of the individual property of the corporations of the corporation. The currency is the corporation of the individual property of the corporation.

gress, therefore, not only had the power, but, as it seems to the committee, were under the most solemn constitutional obligations to restore the disordered currency; only an appropriate means for the accom-plishment of that end, but in the opinion of the committee, the only safe and effectual means that could have been used. This view of the subject is in full accordance with the opinion of Mr. Madison, as ex-pressed in his message of December, 1816. "But, says he, for the interest of the com-"But, says he, for the interest of the com-munity at large, as well as for the purposes of the Treasury, it is essential that the na-tion should possess a currency of equal value, credit, and use, wherever it may circulate. The constitution has entrusted Congress, exclusively, with the power of creating and regulating a currency of that description, and the measures which were taken, during the last session, in execution of the power, give every promise of sucauspices the most favourable, cannot fail to an important auxiliary."

Such are the authorities and such the arguments which have brought the committee to the conclusion, that the power to incorporate a bank is incidental to the powers of collecting and disbursing the public revenue; of borrowing money on the credit of the United States; of paying the public debt; and above all of Swing

ity and equality of taxation.

II. The next question proposed for consideration, is the expediency of establishing an incorporated bank, with a view to pro an incorporated bank, with a view to pro-mote the great ends already indicated to dreasure, some of the considerable of the render it expedient, have been slightly-unfolded. But these require a more full and complete development, while others

remain to be presented.

It must be assumed as the basis of all sound reasoning on this subject, that the existence of a paper currency, issued by banks deriving their charters from the state governments, cannot be prohibited by Congress. Indeed, bank credit and bank paper are so extensively interwoven with the commercial operations of society, that, even if congress had the constitutional power, it would be utterly impossible to produce so entire a change in the monetary system of the country, as to abolish the agency of banks of discount, without involving the community in all the distressing embarrasments usually attendant on great political revolutions, subverting the titles to pointed revolutions, suovering the titles to private property. The sudden withdrawal of some hundred millions of bank credit, would be equivalent, in its effects, to the arbitrary and despotic transfer of the property of one portion of the community to another, to the extent, probably, of half that amount. Whatever, therefore, may be the advantages of a purely metallic cur-rency, and whatever the objections to a

tion, whether the acknowledged and mani-fold facilities of bank credit and bank paper, of having a common measure of value are not more than counterbalanced by the distressing vicissitudes in trade incident to But, even if it should be conceded, that their use, they are by no means prepared to grant of power to "coin money and hix to say, that they would not give a decided the value thereof," does not, in its terms, preference to the more costly and cumber

But the question really presented for their determination, is not between a metal-lic and a paper currency, but between a paper currency of uniform value, and subject to the control of the only power com petent to its regulation, and a paper curren-cy of varying and fluctuating value, and subject to no common or adequate control whatever. On this question it would seem that there could scarcely exist a difference of opinion; and that this is substantially the diency of a national bank, will satisfactorily appear by the comparison of a state of the currency previous to the establishment of the present bank, and its condition for the last ten years.

Soon after the expiration of the charter of the first bank of the United States, an immense number of local banks sprung up under the pecuniary exigencies produced by the withdrawal of so large an amount preciation was greatest, and divert them from those where the currency was comparatively accurately further thank credit, as necessarily resulted from those where the currency was comparatively accurately further thanks of the winding up of its concerns—an amount falling very little short of fifteen millions of the currency dollars. These banks being entirely free ciated local currency, it is difficult to the description of the currency, it is difficult to the currency.

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Analysis.

April 13, 1300. The measure by able arguments, the gain, severely schooled both by advertity corporation. But if the community deal local banks, variously depreciated. Alone of the committee of Means, to which the sub-first bank and the following the measure of the constitution of the precipitation of facilitated the government loans and other treasury operations, would have furnished a circulating medium of general credit in every part of the Union. In this view of the subject, the committee are fully austained by the opinion of Mr. Dallas, the secretary of the treasury, and by the curring and almost unanimous opinion of all parties in Congress: for, whatever diversity of opinion prevailed, as to the proper bash and organization of a bank, almost every one agreed that a national bank, of some one agreed that a national bank, of som sort, was indispensably necessary to recor the country from the greatest of calamities

The committee will now present a brief exposition of the state of the currency at the close of the war, of the injury which re-sulted from it, as well to the government as to the community, and their reasons for believing that it could not have been restored to a sound condition, and cannot now be preserved in that condition, without the agency of such an institution as the Bank of the United States.

the Bank of the United States.

The price current appended to this report will exhibit a scale of depreciation in the local currency, ranging through various degrees to twenty, and even to twenty-five per cent. Among the principal eastern cities, Washington and Baltimore were the points at which the depresiation was greatest. The paper of the more were the points at which the depre-ciation was greatest. The paper of the banks in these places, was from 20 to 32 per cent. below par. At Philadelphia the depreciation was considerably less, though even there it was from 17 to 18 per cent. In New York and Charleston, it was from 7 to 10 per cent. But in the interior of the country, where banks were established, the depreciation was even greater than at Washington and Baltimore. In the weatern part of Pennsylvania, and particularly at Pittsburg, it was 25 per cent. These statements, however, of the relative depreciation of bank paper at various

ness statements, however, of the relative depreciation of bank paper at various places, as compared with specie, give a very inadequate idea of the enormous evils inflicted upon the community, by the replied of the community, by the replied of the community, in any given state of the demand for it. If, for example, the banks, in 1916, doubled the quantity of the circulating medium by their excessive issues, they produced a general degradation of the entire mass of the currency, including gold and silver, proportioned to the redundancy of the issues, and wholly independent of the relative depreciation of bank paper at different places, as compared with specie. The nominal money price of every article was of course one hundred per cent. higher than it would have been, but for the duplication of the quantity of the circulating medium. Mequantity of the circulating medium. Mo-ney is nothing more nor less than the measure by which the relative value of all articles of merchandise is ascertained. If, when the circulating medium is fifty millions, an article should cost one dollar, it would certainly cost two, if, without any increase of the uses of a circulating medium, its quantity should be increased to one hundred millions. This rise in the price of commodities, or depreciation in the value of money, as compared with them, would not be owing to the want of credit in the bank bills, of which the currency happened to be composed. It would exist, though these bills were of undoubt-ed credit, and convertible into specie at the pleasure of the holder, and w sult simply from the redundancy of their quantity. It is important to a just under-standing of the subject, that the relative stanting of the subject, that the relative depreciation of bank paper at different places, as compared with specie, should not be confounded with this general depreciation of the entire mass of the circulating medium, including specie.and effects, they deserve to be separately considered.

The evile resulting from the relative The evils resulting from the relative depreciation of bank paper at different places, are more easily traced to their causes, more palpable in their nature, and consequently more generally understood by the community. Though much loss ruinous than the evils resulting from the general depreciation of the whole currency, they are yet of sufficient magnitude to demand a full exposition.

A very serious evil, already hinted at, which grew out of the relative depressa-tion of bank paper, at the different points of importation, was its inevitable tenden-cy to draw all the importations of foreign merchandise to the cities where the de-

f the revenue laws would have been car-ied. Every state would have had an inbanks, and increase the degradation is banks, and increase the degradation its carrency, with a view to attracting commerce. Even in the condition that the currency had reached in a Bostom, and New York, and Charleswould have found it advantageous to ve their supplies of foreign merchant through Baltimore; and commerce lid undoubtedly have taken that directly and not the correction. tion had not the currency been corrected.
To avoid this injurious diversion of foreign imports, Massachusetts, and New York, and South Carolina, would have been driven, by all motives of self de-fence and self interest, to degrade their respective currencies at least to a par with the currency of Baltimore; and thus with the corrency of Baltimore; and thus a rivalry in the career of depreciation would have sprung up, to which no limit can be assigned. As the tendency of this state of things would have been to cause the largest portion of the revenue to be collected at a few places, and in the most depreciated of the local currency, it would have followed that a very small would have followed that a very small was of that revenue would have been diswould have followed that a very small part of that revenue would have been disturbed at the points where it was collect. The government would consequently then compelled to sustain a heavy. The upon the transfer of its funds to the points of expenditure. The annual loss which would have resulted from these causes alone, cannot be estimated at a less sam than two millions of dollars.

But the principal loss which resulted

But the principal loss which resulted from the relative depreciation of bad paper at different places, and its want of general credit, was that sustained by the munity in the great operations of commercial exchange. The extent of these operations annually, may be safely esti-mated at sixty millions of dollars. Upon this sum the loss austained by the mer-shants, and planters, and farmers, and manufacturers, was not probably less than an average of ten per cent, being the expateral rate in a sound state of the currency, and beyond the rate to which it has been actually reduced by the operations of the Bank of the United States. It will be thus perceived that an annual tax of six millions of dollars was levied from the industrious and productive classifications. The graph of the large seniod caracteristics in our level of the control of the large seniod caracteristics in our level. es, by the large monied capitalists in our commercial cities, who were engaged in the business of brokerage. A variously depreciated currency, and a fluctuating preciated currency, and a wide and to of the exchanges, open a wide and undant harvest to the money brokers; and it is not, therefore, surprising, that they should be opposed to an institution, which, at the same time that it has reliev-ed the community from the enormous tax just stated, has deprived them of the enormous profits which they derived from addition to the losses sustained by the amunity, in the great operations of extensive losses were suffered without the interior of the country, in the great operations of extensive losses were suffered without the interior of the country, in the district of the country in the country of the country in the country of the countr ous profits which they derived from ating in the business of exchange.

I basis of capital to ensure the redemption of their bills.

But no adequate conception can be formed of the evils of a depreciated currency, without looking beyond the relative depreciation, at different places, to the general depreciation of the entire mass. It appears from the report of Mr. Crawford, the Secretary of the Treasury in 1820, that during the general suspension of specie payments, by the local banks, in the years 1815 and 1816, the circulating medium of the United States had reached the aggregate amount of one hundred and ten millions of dollars, and that, in the year 1819, it had been reduced to forty-five millions it had been reduced to forty-five millions of dollars, being a reduction of fifty-nine per cent. in the short period of four years. The committee are inclined to the opinion, that the severe and distressing operation of restoring a vicious currency to a sound state, by the calling in of bank paper, and the curtailment of bank discounts, bailing the curtailment of bank discounts. earried the reduction of the currency, in 1819, to a point somewhat lower than was consistent with the just requirements of ommunity for a circulating medium, that the bank discounts have been sally enlarged since that time, so as of dollars for the last ten

years, taking the average.

Even upon this assumption it will follow, that the national currency has been one hundred per cent. more valuable for the last ten years, than it was in 1816. In other words, two dollars would purchase no more of any commodity in 1816, than one dellar-has been capable of purchasing at any time since 1819. It is obvious, therefore, that the depreciation of the paper of particular banks, at any particular as compared with specie, furnishes terion by which to ascertain the geneincluding apocie, as compared with the value of that currency at a different period. A specie dollar in 1816, would purchase no more than half as much as a paper dollar will purchase at present. n of the whole curre

lar will purchase at present.

Having endeavoured to explain, thus briefly, the general depreciation resulting from a redundant currency, the committee

And when banks have the power of sus-pending specie payments, and of arbitrari-ly contracting and expanding their issues, without any general control, they exercise a more dangerous and despotic power over the property of the community, than was ever exercised by the most absolute government. In such a state of things, every man in the community holds his property at the mercy of money making corporaabuse their power.

By a course of liberal discounts

cessive issues for a few years, followed by a sudden calling in of their debts and contraction of their issues, they would have the power of transferring the property of their debtors to themselves, almost without limit. Debts contracted when their discounts were liberal, and the currency of course depreciated, would be collected when their discounts were almost suspended, and the currency of course unnaturally appreciated; and in this way the property of the community might pass under the hammer, from its rightful owners to the banks, for less than one half its intrinsic value. If the committee have not greatly mistaken the natter, there is more of history than of spe culation in what they have here presented to the consideration of the House.

It is impossible to form any thing like an

estimate of the injuries and losse sustained by the community, in various ways, by the disorders and fluctuations of the currency, in the period which vened between the expiration of the old bank charter, and the establishment of the But some tolerable notion present bank. may be formed of the losses sustained by the government, in its fiscal operations, during the war.

The committee have given this part of the subject an attentive and careful examina-tion, and they cannot estimate the pecu-niary losses of the government, sustained exclusively for the want of a sound curre cy. and an efficient system of finance, a nm less than forty-six millions of dollar If they shall make this apparent, the Hous will have something like a standard for es timating the individual losses of the com

The government borrowed, during the short period of the war, eighty millie dollars, at an average discount of fiftee per cent. giving certificates of stoc amounting to eighty millions of dollars, in exchange for sixty-eight millions of dollars in such bank paper as could be obtained. In this statement, treasury notes are considered as stock, at twenty per cent. dis count. Upon the very face of the transaction, therefore, there was a loss of twelve millions of dollars, which would, in all sury had been aided by such an institution as the Bank of the United States. But the sum of sixty-eight millions of dollars, re ceived by the government, was in a depre giated currency, not more than half as the stock given in

thirty-four millions, resulting incontesti-bly and exclusively, from the depreciation of the currency, and making, with the sum fost by the discount, forty-six millions of dollars. While, then, the government sustained this great pecuniary loss in less than hree years of war, amounting annually to more than the current expenses of the go-vernment in time of peace, it is worth while to inquire, who were the persons who profited to this enormous amount by the derangement of the currency? It will be profited to this enormous an found that the whole benefit of this speculation upon the necessities of the govern ment was realized by stockjobbers and money brokers, the very same class of per-sons who profited so largely by the business of commercial exchanges, in consequence of the disorders of the currency, and who have the same interest in the recurrence of tion, or physicians in the diseases of the human frame. Having presented these general views of the evils which existed evious to the establishment of the Bank committee to inquire how far this institution has effected a remedy of those evils.

The first great question which arises un ne with specie at all points of the Union;

sound currency."

training endeavoured to explain, thus briefly, the general depreciation resulting from a redundant currency, the committee will now proceed to point out some of the injurious consequences which have resulting of value, which have been unavoidably produced by the correction of the redundancy.

An individual who borrowed a sum of money in 1816, and paid it in 1820, evidently returned to the incidently returned to the incidently paid double the value received from him; and one who would have been to compel the bank to specify from the whole of the country, without any companies he had attipulated to pay, though the shell attipulated to pay the shell attipulated to pay the the should speak hereafter; but the price current upon his table to transport specie, and in many instances the transport the sa

nominally the same amount in money. It is in this way that fluctuations in the quantity and value of the currency interfere, in the most unjust and injurious manner, between debtor and creditor.

require a Rail Read Company to transport all the productions of the country without compensation. No institution could stand such an operation; and it was the injudicious attempt of the first direction of the bank to do it, that principally contribute to the embarrassments of 1819. A conmittee was appointed by the Hosse of Re mittee was appointed by the House of Re-presentatives, in that year, to isvestigate the management of the bank; and in the report of that committee, as we as in the discussions to which it gave the in the House, this attempt of the direction to re-deem the bills of the institution indicate-minately, at all its branches, wa indicated as one of the causes of the existing embar-rassment. No one who participited in the debate, pretended to allege the the bank was bound to redeem its bills indiscrimiwas bound to redeem its billandiscriminately, or that it was expedient that it should do so. The most that by one did was to apologise for the unwisettempt.

But it yet remains for the emmittee to show that this indiscriminate recembility of the bills of all the branches the bank is not necessary to "the establiment of uniform and sound currency. Human wisdom has nevereffected, in

any other country, a nearer paroach to uniformity in the currency, the that which is made by the use of the prebus metals. If, therefore, it can be shownhat the bills of the United States' Bank are of equativalue with silver at all points f the Union, it would seem that the proposion is clearly made out, that the bink has complishly made out, that the bank hancomplished "the great end of establishing a uniform and sound currency." It is not denied that the bills of the mother back, and of all its branches, are invariably nd promptly redeemed in specie, whenear presented at the offices by which they are been respectively issued, and at while, upon their face, they purport to be payale. Nor is it denied that the bills of the back, and of all the branches, are equal to specie in their the branches, are equal to specie in their respective spheres of circulation. Bills, xample, issued by the nother bank, are admitted to be equal to siver in Penn sylvania, and all those parts of the adja-cent states of which Philadelphia is the market. But it is contended that these bills, not being redeemable it Charleston out Courland, Livournia, and all the South and New Orleans, are not d equal value out Courland, Livournia, and all the South-with silver to the merchant sho wishes to ern parts of the empire, the currency is Now, if the Philadelphia merchant had silver, instead of bank bills, fie contained not effect his purchases with it in Charleston or New Orleans, without having the silver conveyed to those places. g the silver conveyed to those places; and is equally certain that he could have it conveyed there, without paying for its transportation and insurance. These expenses constitute the natural rate of exchange between those cities, and indi-cate the exact sum which the merchant are issued, they are mere articles of merwould give as a premium for a bill of ex-change, to avoid the trouble and delay of transporting his specie. It is obvious, therefore, that, even for these distant operations of commerce, silver would be pre valuable than the bills of the bank: embarrass commerce, may be inferred fr for these would purchase a bill of exchange on either of the cities mentioned, precisely on either of the cities mentioned, precisely as well as silver. If the operation should be reversed, and the planter of Louisiana leps print a final title unit description prints to the introduced to public the deemed suscessary, in all are would find.

bills of the branch bank in either of those to the bankers and extensive traders in States, entirely equivalent to silver in effect.

Paris. The general currency is silver; and had not reduced the rate of the exchanges, it might be safely asserted, that its bills would be of equal value with silver at every

point in the Union, and for every purpose, whether local or general. But it is impossible to exhibit any thing like a just view of the beneficial operations of the bank, without adverting to the great reduction it has effected, and the steadiness it has superinduced, in the rate of the commercial exchanges of the country. Though this branch of the business of the has been the subject of more complaint, perhaps, than any other, the com mittee have no hesitation in saying, it has the community, and deserves the eady stated that it has saved the communits from the immense losses resulting from a high and fluctuating state of the exchanges. It now remains to show its ef-fect in equalizing the currency. In this espect, it has been productive of results ire salutary than were anticipated by the and that the bank discounts have been radually enlarged since that time, so as partially enlarged since that time, so as so satisfy those requirements. It will be saumed, therefore, that the circulating medium of the United States has been filtered by the pleasure of the holder, and of equal variables and the pleasure of the holder, and of equal variables. This proposition is susceptible of the clearest demonstration. If the whole the pleasure of the holder, and of equal variables are proposed to the pleasure of the holder, and of equal variables are proposed to the pleasure of the holder, and of equal variables are proposed to the pleasure of the holder, and of equal variables are proposed to the pleasure of the holder, and of equal variables are proposed to the policy of establishing the bank. It has actually furnished a circulating medium more salutary than were anticipated by the most sanguine advocates of the policy of establishing the bank. It has actually furnished a circulating medium of the United States has been filtered to the policy of the circulating medium of the Circulating medium of the United States has been filtered to the policy of the circulating medium of the United States has been filtered to the pleasure of the holder, and of equal variables are proposed to the pleasure of the holder, and of equal variables are proposed to the pleasure of the pl medium were specie, a planter | renev The Chief Magistrate, in that part of his first message which relates to the Bank of the United States, expresses the opinion, that "it has failed in the great end of estaof Louisiana, who should desire to purchase is required by the interests both of our obliged to pay one per cent either for a bill that "it has failed in the great end of estaof Evenhange on this latter place, or for the ly valuable at every place and every time, that a thas lated in the great end of estabishing a uniform and sound currency."

After giving to this opinion all the consideration to which it is so justly entitled, from the eminent station and high character of per cent. less to him than it would be in the enitered by whom it is entertained, the Philadelphia, where he had a demand for it. the critizen by whom it is entertained, the Philadelphia, where he had a demand for it.

But, by the aid of the bank of the United frespectful but decided dissent from it. It is true, that the bank does not, in all cases, redeem the bills issued by any one of its branches, indiscriminately at all the other branches; and it is in reference to this fact, as the committee presume, that the President expresses the opinion that the institute of the bank, or specie, at his pleasure. dent expresses the opinion that the institu-tion has failed to establish "a uniform and will give draughts from any point of the will give draughts from any point of the upon demand. In the report, indeed, the Union to any other where offices exist, at a notes of the national bank are said to be It is confidently believed, that no one of the percentage greatly less than it would cost now on the same footing with those of lotte persons who were principally instruthe persons who were principally instruthe persons who were principally instruthe transport specie, and in many instances at banks. Of the footing on which local bank notes stood, he should speak hereaf-

with specie at Boston, in payof all other tion to the precious metals, or to any ties; and the same is true all other ral standard, it was impossible to assign places, however distant, here the bank limit to their depreciation. You have places, however distant there the bank ral standard, it was injusted. You have reissues bills, and the pernment collects issues bills, and the pernment collects quired that the currency furnished by the
quired that the currency furnished most scripplious practuality, the stipula-tion to transfer the funds of the government to any point where they may be wanted, free of expense, it must be apparent that the committee are correct, to the very letter, in stating that the bank has furnished, both to the government and to the people, a currency of absolutely uniform value in all places, for all the purposes of paying the public contributions, and dishowing the public revenue. And when it is recollected public revenue. And when it is recollected public revenue. And when annually collects and that the pro- ment annually three millions of dollars, those who are at all familiar with the subject will at once perceive that ones, which are of absolutely uniform value for this vast operation, must be very nearly so

for all the purposes of general commerce. Upon the whole, then, it may be confidently asserted, that no country in the world has a circulating medium of greater uniformity than the United States; and that no country of any thing like the same geographical extent has a currency at all co parable to that of the United States on the score of uniformity. The committee have seen the statement of an intelligent traveller, who has visited almost every part of Europe, exhibiting the great variations of the currency in different parts of the same empire or kingdom. In Russia, the bills the Bank of St. Petersburgh have a very and Juttane, but will not pass at all in Sleswic and Holstein, which constitute the best portion of the kingdom. Since the Congress of Vienna, Germany is divided into thirty-nine separate states, each hav-These ing a distinct currency, though represent-rate of ed in the Diet at Frankfort. Out of the chandise; which circumstance has given rise in every town to a numerous and dis-tinct class of tradesmen, called money changers. How far these separate and un the fact, that a traveller going from St. Petersbugh to Calais will lose upon the una voidable changes of money an average of six per cent. In France, the bills of the bunk are of such large denominations as a partial of the Star of t

States, entirely equivalent to silver in effect.

Paris. The general currency is silver; and was not bound to pay its notes, indiscring his object. Even, therefore, if the bank to avoid the trouble of carrying this to dishad not reduced the rate of the exchanges, in the bank to avoid the trouble of carrying this to dishad not reduced the rate of the exchanges, that its bills of exchange, which are preferable, are it was no unfair active to the bank to the bank to avoid the trouble of carrying this to dishad not reduced the rate of these banks and excessive and excessive and the bank to be a not bound to pay its notes, indiscring minately, at all its offices. He believed that nobody now contended that it was."

It was no thought to pay its notes, indiscring this to dishad the pay its notes, indiscring the pay its notes. The general currency is silver; and was not bound to pay its notes, indiscring the pay its notes. The general currency is silver; and was not bound to pay its notes, indiscring the pay its notes. The parts of the kingdom, gold pieces, or it was not bound to pay its notes. The parts of the kingdom, gold pieces, or it was not bound to pay its notes. The parts of the kingdom, gold pieces, or it was not bound to pay its notes. The parts of the kingdom is noted. The parts of the pay is noted to pay its notes, indiscring the pay is noted to pay its notes. The parts of the pay is noted to pay its notes. The parts of the pay is noted to pay its notes. The parts of the pay is noted to pay its notes. The parts of the pay is noted to pay its notes. The parts of the pay is noted to pay its notes. purchased at a premium of from one and a half to four per cent. After this brief review of the currencies of Europe, the comthat it gave to the branches where the mittee will barely state, as a conclusive vindication of our currency from the impu tation of unsoundness, that there is no point in the Union, at which a bill of the United States' Bank, issued at the opposite extremity of the country, is at a discount of more than one-fourth of one per cent.

In confirmation of the views here presented, as to the comparative uniformity of the currency furnished by the bank, and, also, as to the obligation of the bank to reoffices, the committee will present a few brief extracts from the speech of a states man, whose opinions have every title to authority on these important subjects. Mr. far the bank had performed the great duty for which it was created, used the follow ing decided language in 1819, when the rency had not reached the point of uniformity it has now attained by one half of

one per cent. "The great object of the government in ly valuable at every place and every time, cannot be provided by human wisdom. The nearest approach to this object has been generally supposed to be afforded by the employment of gold and silver as the measures of value. The 14th Congress did not aim at ideal perfection; they wished to combine with the conveniences of bank circulation an uniformity of value equal to that which was possessed metals; and the means which theyemployed to secure this uniformity were simple an effectual, by enjoining, under a heavy penalty, the payment of all its notes in

would pay the expense of transporting specie. The fact that the bills of the bank and its branches are indiscriminately receivable at the custom-houses and land of-cilities afforded ance is so rich, with a and its branches are indiscriminately receivable at the custom-houses and land offices, in payment of duties, and for the public lands, has an effect in giving uniformity to the value of these bills, which merits a more full and distinct explanation.

For all the purposes of the revenue, it gives to the national currency that perfect on the public value of the said, riving the national currency that perfect of the objects of its institution? Because a country, could have no pretervalue a country, could have no pretervalue a bill issued at Missouri is of each of duties of the precious metals, or to any naturation to the precious metals and the precious and the precious meta expected that it should n. and it is more so. He would not de tain the committee by reading a paper, which he had prepared with that intention. containing the state of exchange, since the establishment of the bank, with England, France, and Holland, for he found himself occupying much more of their time than he had expected. But he believed that any member, who should turn his attention to the subject, would remark its steadiness during that period. He thought himself justified in drawing from this fact a con-

In reference to the great depreciation of the paper of the local banks, previous to the establishment of that of the United States, he said.

"Did the interests or duty of the go vernment of the United States permit that this currency should be received by it? Some dissatisfaction was expressed be-cause the branch notes of the United States' Bank were at a discount of three-fourths of one per cent. He read from a price current the state of the market for bank notes, by which it appeared that notes, which were insisted to be in very good credit, varied from a discount of two nd a half to one of seven, fifteen, twentyfive, and even thirty per cent. revenue to be received in these notes? How were they to be employed? They might be expended in the district in which they were issued. But was the expendi ture of every district to be exactly he ed to its revenue? What became of ed to its revenue? Union if it were so? He spoke of the thing, and not the name. Our Union might dissolve in imbecility as well as be destroyed by violence. Did not union imply, that the resources of one state, its ployed for the defence of another?

"But, if the government were willing to bear the loss of a depreciated and unequal currency, it must neglect the plain-est principle of the Constitution in doing equality of taxation. The commit tee must 'well remember, that, before the establishment of the national bank, such was the unequal value of currence in the different states, that duties, varying fifty Decorporation and the

"He should not argue that the bank

exchange was unfavourable, the entire disposition of the specie of those branchwhere the exchange was favourable .-Upwards of six millions of specie have een sent to the branch of New York, be sides the amount which has been paid by the subscribers of the bank there; in issuing notes which the bank of New been obliged to redeem, every branch throughout the country has drawn upon a fund, with whose condition at the time it could not be acquainted."

Such a system might

Such a system might changes in the distribution of bank capi-tal, an extreme facility of obtaining loans at one time, and unexpected contractions of discount at another."

favourable, whenever the just principles of banking require a reduction of discounts, then, under this counts, then, under this counts, then, under this counts, then the second counts, the second counts, the second counts counts, the second counts, the counts, then, under this system of indiscriminate payment of its notes, the bank "The great object of the government in chartering the bank, was to provide a currency which should have that degree of applicant. Wherever the exchange is favourable, and on the sound principles of banking, an enlarged accommodation to resume specie parments. might be given to the community—there the flow of notes from every state whose exchange is unfavourable, contracts or suspends all the operations of the bank. Thus, wherever discounts should be enlarged, the tendency of this system is to reduce them, and to enlarge them wherever they should be reduced."

Independently of the grossi njustice of equiring the bank to pe of this extensive confederacy without any compensation, these enlight ened views show most conclusively its inexpediency and injustice, as it regards different sections of the Union. It would inevitably render those parts of the union where the bank issues were pru-dent and moderate, tributary to those

that portion of the currency which sists of its own bills. One of the important purposes which the bank designed to accomplish, and which, designed to accomplish, and which, confidently believed, no other has agency could have effected, under our derative system of government, was enforcement of specie payments or part of numerous local banks, derin their charters from the several states, whose paper, irredeemable in specia, illimitable in its quantity, constituted almost entire currency of the centry Amidst a combination of the grad difficulties, the bank has almost comp ly succeeded in the performance of arduous, delicate, and painful duty, exceptions, too inconsiderable to notice, all the state banks in the l have resumed specie payments. bills, in the respective spheres of circulation, are of equal value with and silver; while, for all the open of commerce, beyond that sphere bills or the checks of the Bank a bills or the checks of the Banka United States are even more said than specie. And even in the reminstances in which the paper of banks is depreciated, those banks winding up their concerns; and it be safely said, that no citizen of the translate of the safely said, the necessity of their concerns. s under the necessity of taking ciated paper, because a sound can 62000 be obtained. North Gard of the local banks is irredeemables cie, and consequently depreciated, there, the depreciation is only one per cent., and what is more imports paper of the Bank of the United can be obtained by all those who it, and have an equivalent to give The committee are aware, that it nion is entertained by some, that cal banks would, at some time or either voluntarily, or by the core the state legislatures, have resume cie payments. In the very nature of this would seem to be an imposs It must be remembered that no ever made such large dividends realized by the local institutions, rich and abundant anrest of pro opened to them, which the resum apecie payments must inevitably While parmitted to give their ow bearing no interest, and not red in apecie, in exchange for bets bearing interest, it is obvious, bearing interest, it is obvious, more paper they issued, the high be their profits. The most power tive that can operate upon not perations, would have existed, to the state banks from putting the very state of things, from will excessive profits proceeded. The excessive profits proceeded. To nature must have been changed, b nature must have been changed, a before they could have been in co-operate, voluntarily, in the re-of the currency. It is quite as ble that the state legislatures we compelled the banks to do the

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the businesse Green Tree float But there remains to the work, more general operation, which revented the interposition egislatures to correct those

The banks were, directly at ity, the creditors of the white and the resumption of species, cessarily involved a general of discounts, and withdrawal of a would produce a general and pressure upon the entire class. These constituted the largest population of all the states payments were suspended, me excessive. Those, therefore, public opinion in the states, of preciation of the local paper of were interested in the perpets evil. Deep and deleterious, the disease evidently was, in states, their Legislatures of been expected to apply a rem ful as the compulsion of spe would have been, without 8 Bank of the United States. rially contributed, by its d liberal arrangements, to en rassment to themselves, a If the State ! ever so willing to a mittee are decidedly of the could not have done it, unal of the United States, wil degree of distress incom than has been actually expe will conclude their remarks of the subject by the obvious if Congress, at the close of the it to the states to restor be currency, this important feet reignty would have been m whom the Constitution

taken it, and by whom it could ficially or effectually exert other idea, of considerable not without its advocates. this government, by making the

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the law creating the se duties, there is nothing on at all inconsistent wit the bank, and the puriernment. The country has a that the bank should maintain its, and the government ar safely, and transfer them therefore, has no name k, but the salutary power Every thing is fixed by the left to arbitrary discretion the Secretary of the Treasu anction of Congress, would unjustly and oppressively. h any attempt, on the part of to bring the pecuniary influto bear upon the po country, by withdraw ut this power would not be sed by the treasury, as its exd necessarily be subject to be Congress. It is, in its nature, corrective, creating no undue on the part of the bank.

here was no will be widely to the discretion of the Se Treasury to select the local hich the government deposites made. All the State banks hat case, be competitors for the sider the nature of this sort can fail to perceive, that, in the ambitious man, not possessed rity and unbending integrity ninently dangerous to the The State banks would political controversy, with ain this patronage; and very ty is required to foresee, that, if d ever happen to be an adminised to use its patronage to nt in jeopardy by being depo-ks unworthy of confidence, and itensive corruption brought to the elections throughout the tate of things more adverse to of the government—a power to be abused—can scarcely be If five millions of dollars were d in the hands of the Secre Treasury, to be distributed a n, for the purposes of internal rous and corrupting power. on with this branch of the sub nittee will briefly examine the at this bank, availing itself of isting in principally of heal paper,

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oll on the source that have shi in bounty on trophentl's day? of boppinous time's tide hath d hy shrine t bow down in de her of local paper; and this be performed, by enforcing banks the payment of specie banks the payment of specie in their issues. But the induced to believe, that this rincipally owing, so far as it Treasury are mistaken for fithe bank, because the bank whom those operations are this institution receives the tainly in no spirit of hostinks. On the contrary, it But the Bank of the is not only bound to pay in own bills, what it receives for t in local paper, but to trans-to any part of the Union, be required for disburse-assumed, that the governannually, at the custommillion of dollars one hundred thousand, it n this, that the governm hundred thousand dollars paper deposited in the charter, and for the nation perhaps to Wash this paper would purposes of the the bank would be, of lled to provide specie, or command specie at those the collection and disburse-revenue, that produces the . If all the revenue collect n were disbursed in the this would be made upon the specie. The Bank of the from being justly obcomplaint on this score, has action of the treasucal banks, by means of the ents which its large capital branches have enabled it to n. The degree in which has reduced the rate of exfairly assumed as that in mitigated the action of the the State banks. If, for extisted no national bank, and of the revenue collected in made in one of the local lly, nine hundred thousand ngton or Norfolk? The ing no branches at either es, instead of transmitting

both. While there is a Na-bound by its charter to perform ated duties, and entitled to re-vernment deposites as a com-States. If, to avoid these specie draughts the local banks should purchase bills or Washington or Norfolk, they would pro-bably cost five or six per cent. even in telerable state of the currency, which would be a loss to the banks almost to the extent of the premium.

Although the expediency of renewing the tion now submitted for the decision of Con gress, the committee consider it so far in-volved in the matter referred to them, as power of to render it their duty to present some con terms of siderations bearing on that question, in ad dition to what they have said on the general expediency of maintaining such an institu-tion. If a national bank, similar to the present, he a necessary and proper agent for the accomplishment of the great purposes heretofore indicated, the only remaining question would seem to he, whether the harter of the present stockholders should be renewed, or a new set of slockholder

advantageous to the government What then would be the other inquiries. effect of refusing to renew the present char-ter? And, in the first place, what are the ndocements for pursuing that course?
It is sometimes alleged that the present

stockholders are large capitalists, and, as the stock of the bank is some 20 per cent. above par, that a renewal of the charter would be equivalent to a grant to them of 20 per cent. upon their capital. It is true that a small proportion of the capital of the company belongs to very wealthy men. Something more than two millions of that owned in the United States belongs to persons holding upwards of one hundred thou sand dollars each. It is also true that fo reigners own seven millions, or one-fifth of the capital. But, on the other hand, it is to be remarked, that the government, in trust for the people of the United States, holds seven millions; and that persons owning less than five thousand dollars each, hold four millions six hundred and eighty-two thousand; and that persons owning between five and ten thousand dollars each, hold upwards of three millions. It is also worthy of remark, that a very considerable portion of the stock-very nearly six millions-is held by trustees and guardians, for the use of females and orphan children, and charitable and other institutions. Of the twenty-eight dividuals, only three millions four hundred original subscribers. All the rest has been purchased at the market prices-a large portion of it, probably, when those prices were higher than, to afford another in the exulting me

Sere is nothing analysis, it will appear ion of the stockholders, which should make it desirable to deprive them of the advantage which they have fairly gained, by an application of their capital to purposes highly beneficial, as the committee and people of the United States. If foreigners own seven millions of the stock of the bank, our own government owns as much if wealthy men own more than two millions men in moderate circumstances own be tween seven and eight millions; and widows, orphaus, and institutions devoted to charitable and other purposes, own nearly six

But the objection that the stock is owned by men of large capital would apply with equal, if not greater force, to any bank that could be organized. In the very nature of things men who have large surplus capitals are the principal subscribers at the first organization of a bank. Farmers and planters, merchants and manufacturers, having an active employment for their capitals, do not choose to be the first adventurers in a bank project. Accordingly, when the present bank went into operation, it is believed that most of the capital was owned by large capitalists, and under much more unequal distribution than exists at present. The large amount of stock now held in trust for females and minors, has been principally, if not entirely, purchased since the bank went into operation; and the same remark is generally applicable to it does the stock in the hands of small holders. It one of

It is morally certain, therefore, that, if another distinct institution were created, on the expiration of the present charter, there also eminently useful in peace. would be a much greater portion of its capital subscribed by men of large fortunes, than is now owned by persons of this de-scription, of the stock of the United States' Bank. Indeed, it might be confidently predicted, that the large capitalists who now local position and other advantages, be the first to forestall the subscriptions to the new bank, while the small stockholders, scattered over the country, would be probably excluded, and the females and minors, and others interested in trust investments made by decrees in equity, would be almost ne-cessarily excluded, as the sanction of a court national bank. could scarcely be obtained, after the pas sage of the new act of incorporation, in time ten years, have been concerned in the adto authorize a subscription

to the country, merely with a view to incorporate another, would be an act rather overnment deposites were wisdom, as it regards the present stockholdent of the stockholders, with the least consequently be under the crs. It is no fight matter to deposite the present stockholders.

would indicate a fondness for experiment, which a wise government will not indulge upon slight considerations.

But the great injury which would result from the refusal of Congress to renew the

charter of the present bank, would, beyond all question, be that which would result to the community at large. It would be dif-ficult to estimate the extent of the distress which would naturally and necessarily result from the sudden withdrawal of more than forty millions of credit, which the com munity now enjoys from the bank. this would not be the full extent of the operation. The bank of the United States. in winding up its concerns, would not only withdraw its own paper from circulation, and call in its debts, but would unavoidably make such heavy draughts on the local in stitutions for specie, as very greatly to curtail their discounts. The pressure upon Incorporated.
In considering this question, Congress will, of course, be governed in some degree, by the terms on which the present stockholders will agree to accept a renewal of their charter. But, as the committee have satisfactory reasons for believing that terms emineutly advantageous to the government. rers, and farmers, to the large monied capitalists, who always stand ready to avail capitalism, who always a constraint of the community. The largest stockholders of the present bank, the very persons whose present lawful gains it would be the object of some to cut off, having a large of the cor surplus money capital thrown upon their hands, would be the very first to speculate upon the distresses of the community, and build up princely fortunes upon the ruins of the industrious and active classes. On an injury, in no degree mitigated by the

A very grave and solemn question will be presented to Congress, when they come to decide upon the expediency of renewing the charter of the present bank. That institution has succeeded in carrying the country through the painful process necessary to cure a deep scated disease in the sary to cure a deep scated disease in the national currency. The nation, after having suffered the almost convulsive agonies of this necessary remedy, is now restored to perfect health. In this state of things it will be for Congress to decide, whether it is the part of wisdom to expose the country to a degree of suffering almost equal to that which it has already suffered, for the purpose of the currency, which has been rement of the currency, which has been re-medied by a process, as necessary as it was

destroyed, and the local institutions left without its restraining influence, the corrency would almost certainly relapse into

pend specie paying most needed, or losses they command they would should be at all effected without such which they would be a suffering community would call agecy. If there should be simply a great wants of a suffering community would call agecy. If there should be simply a great centre when the suffering community would call agecy. If there should be simply a great centre when the suffering community would call agecy. disregarded. The public necessities would demand, and public opinion would sanction, the suspension, or at least an evasion, of specie payments.

But, even if this desperate resort could

be avoided in a person of peace and gene-ral prosperity, neither reason nor experi-ence will permit us to doubt, that a state of war would speedily bring about all the evils which so fatally affected the credit of the government and the national currency, during the late war with Great Britain. We should be again driven to the same miserable round of financial expedients, which, in little more than two years, brought a wealthy community almost to the very brink of a declared national bankruptcy,

and placed the government completely at the mercy of speculating stockjobbers.

The committee feel warranted, by the past experience of the country, in expensing it as their deliberate opinion, that, in a period of war, the financial resources of the country could not be drawn into efficient operation without the aid of a national bank, and that the local banks would certainly resort to a suspension of specie payments. The maxim is eminently true in modern times, that money is the sinew of military power. In this view of the subject, it does appear to the committee, that no one of the institutions of the country, not supporting both the army and navy, it would seem that, if there was one measure of national policy, upon which all the po-litical parties of the country should be brought to unite, by the impressive lessons of experience, it is that of maintaining a It is due to the persons, who, for the last

ministration of the bank, to state, that they as, at the same time, to accomplish the great national ends for which it was esta-

property of individuals, honestly obtained, and usefully employed, to the extent of ave millions six hundred thousand dollars, and the property of the government, to the extent of one million four hundred thousand dollars, purely for the sake of change. It would indicate a fondness for experiment, the control of the sake of the control of the contro interested and unequivocal testimony in farour of the bank.

It is but strict justice also to remark that the direction of the mother bank appears to have abstained, with scrupulou care, from bringing the power and influ-ence of the bank to bear upon political questions, and to have selected, for the irection of the various branches, business men in no way connected with party politics The committee a tvert to this part of the conduct of the directors, not only with view to its commendation, but for the pur pose of expressing their strong and decided conviction that the usefulness and stability of such an institution will materially depend upon a steady and undeviating adherence t e policy of excluding party politics and political partizans from all participation i its management. It is gratifying to conclude this branch of the subject by stating, tha the affairs of the present bank, under the able, efficient, and faithful guidance of its two last presidents and their associates, have been brought from a state of great embar resperity. Having succeeded in restoring the paper of the local banks to a sound state its resources are now such as to justify the directors in extending the issue and circulation of its paper so as to satisfy the want of the community, both as it regards bank accommodations and a circulating medium. Upon the soundest principles of banking, the very ample resources of the institution would justify the directors in granting ac-commodations to a much greater exten-than they have yet done; and though they the other hand, the females and minors, and persons in moderate circumstances, who from four and a half to fourteen millions persons in moderate circumstances, who from four and a half to fourteen millions hold stock in the institution, would sustain since January, 1823, they are ready and willing to increase it still further, by counting bills of exchange and other business paper. It is believed that the discount

> III. Having said thus much on the con stitutionality and expediency of an incorpowhich remains to be examined by the com mittee is, the expediency of establishing "a National Bank founded upon the credi of the Government and its revenues

It is presumed to have been the inten-tion of the President, in suggesting the in-quiry at to a bank founded upon the credit and revenues of the Govern ment, to be un derstood as having allusion to a bank of discount and deposite. Such a bank, it is taken for granted, would have branches established in various parts of the Union, similar to those now established by the Bank of the United States, and co-extensive

hat certainty rectapes must with them. The great object of furnishlarge man one we need not tear any effectual attack upon it—
any disparaging. To see in every attempt to constrain it within
the needy any ring. The bonds of decency, a covered plan for its
any artifacture on the lift are the first to give a reason of culpability and the needy are the first to give the properties to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the lift are the first to give the properties of the properties

cently bank established at the seat of Government, without branches to connect its operation with the various points of the commerce of the Union, the promise to pay specie for h. notes, whenever presented, would be almost purely nominal. Of what consequence would it be to a merchant or planter of Lauisiana, or a manufacturer or former of Mises that he sould obtain a present the sould obtain a present the sould be the property of the sould be the sould obtain a present the sould be so farmer of Mine, that he could obtain spe-cie for bills of the National Bank, on presenting then at the City of Washingto a place whelly unconnected either with Louisiana or Maine by any sort of commer-Louisians or Maine by any sort of commer-cial intercourse, and where, consequently, these bills would never come in the regu-lar course of trade? A promise to pay specie at aplace so remote from the place of circulation, and where the bills would never comobut at a great expense, and for the sole purpose of being presented for payment, would neither give credit to the notes, nor sperate as an effective check upon excessive issues. Whatever credit such notes night have, at a distance from the place of issue, would not be because they were redeemable at the pleasure of the holder-for such would not be the fact; but principally because of the ultimate re-sponsibility of the Government, and of their being receivable in payment of all dues to the Treasury. They would rest, there-fore, upon almost precisely the same basis of credit as the paper money of our Levo-lution, the assignats of Revolutionary France, is only when the character of a bank is excepting the army or navy, is of more fully established, and when its stock assumes wital importance than a national bank. It a steady value, that these descriptions of persons make investments in it.

These were receivable in discharge of debts due to the Treasury, and Governments in it. and navy: while they are of scarcely any debts due to the Treasury, and Govern-value except in war, the bank is not less ment was of course ultimately responsible meful than either of them in war, and is for their payment; yet the two former depreciated almost to nothing, and the latter another advantage, still greater. If, like though bearing interest, sunk to 20 per the army or nave, it should cost the nation cent. below per. But the notes of a central millions annually to sustain it, the expedi-But, when it actually saves to the government and to the constitutes a conclusive objection to ment and to the constructed thave heretofore attempted to show, more millions annually than are expended in prudence of the Government or of the direction and tion. Human wisdom has never devised any adequate security against the excessive is anequate security against the excessive issues, and, consequently, the depreciation
of bank paper, but its actual, and easy, and
prompt convertibility into specie at the
pleasure of the holler. Experience has
shown that, where the paper of a bank is,
by any means, habitually circulated at places remote from the point where it is issued,
and not connected with it by a regular and not connected with it by a regular To destroy the existing bank, therefore, have performed the delicate and difficult commercial intercourse, there will not exafter it has rendered such signal services trust committed to them, in such a manner ist that easy and prompt convertibility which is so essential to the credit of bank paper. When bank bills are confined to their appropriate sphere of circulation, a

specie. This timely admonition is as use ful to the bank as it is to the community: for it enables the directors to avoid, with or it enables the directory of the modeling certainty, an excess equally injurious to both, and which no human segacity could anticipate or prevent, by calculation merely. Whatever, therefore, in a system of bank circulation, prevents the reflux of redundant issues, necessarily destroys the only adequate security against these laju-

ous and ruinous excesses. But a Government Bank, without branch es would be obnoxious to another objection which could not be obvinted. Its loans would be confined to the District of Co. imbia; or, if extended to the various parts of the Union-to say nothing of the incon--they would be unavoidably granted with out any knowledge of the circumstances of the persons upon whose credit the Govern-ment would depend for re-payment. It would, in fact, he, for all useful purposes, mere District Bank.

These views of the subject have bron the committee to the conclusion, that, if a Government Bank should be established, it would have at least as many branches as the Bank of the United States, and probably a much greater number. Few admi nistrations would have the firmness to re sist an application to establish a branch coming from any quarter of the Union, however injudicious the location might be, upon correct principles of commerce and

anking.
The Bank of the United States now em ploys five hundred agents, in the various parts of the Union where its offices are established. From this fact some idea may be formed of the very great addition which would be made to the patronage of the Executive Government by the establish-ment of such a bank as the one under conideration

ppointment—the annual appointment—of here agents, great as it would doubtless be, would be insignificant and harmless, when compared with that which would re-sult from the dispensation of bank accommodations to the standing amount of at The mind almost instinctively shrinks from the contemplation of an idea so ominous to the purity of the Government and the liberties of the people. No government of which the committee have any knowledge, except perhaps, the despotism of Russia, was ever invested with a patronage at once so prodigious in its influence and so dangerous in its chaout in its influence and so dangerous in its character. In the most desperate financial extremities, no other European government has ever ventured upon an experiment so perilous. If the whole patronage of the locality monarchy were consequentated in the English monarchy were concentrated in the hands of the American Executive, it may be well doubted whether the public liberty would be so much endangered by it as i would by this vast pecuniary machine, which would place in the hands of every

administration fifty millions of dollars, as a fund for rewarding political partizans Without assuming that a corrupt use stops neared the cottage, I beheld, in

not our political contests too frequen generated into a selfish scramble for the who sincerely and honestly believe that these offices are legitimate objects of po-litical warfare, and the rightful reward of the victorious party? And disinterested and patriotic as the great body of every political party is admitted to be, the fact is no less true than it is lamentable, that the most devoted and active partizans are very often mere soldiers of fortune, who watch the political signs, and enlist, at the eleventh hour, under the banners of the party most likely to prove successful. Such being, more or less, the composition of all political parties, what would be the probable use made of fifty millions of bank patronage, by a political party which conscientiously held the doctrine that all the offices in the gift of the executive should be divided among the par-tizans of a successful political leader? Would not the same principle be even more ap plicable to bank loans? and would not the Treasury of the United States, under the sanctifying influence of party delusion and party infatuation, be literally plundered, by rcenary retainers, bankrupts in fortune,

and adventurers in politics?

Even if the administration should be ever so much disposed to restrain the abuse of this patronage, it would be utterly impracticable to exercise any efficient control over the great number of bank directors who would be scattered over the Union, and who, upon all the known principles of human nature, it may be confidently predicted, build principally consist of busy

cious political partizans.

Such would be the depositaries—acting, not under the public eye, but under the protecting mystery of a sort of concealment and secrecy deemed indispensable in banking operations—to whom not only the whole Treasury of the Union would be confided, to be squandered, perhaps, in profligate favouritism, but the tremendous power of putting the whole property of the nation under mortgage, for the redemption of the bills issued at their discretion. To say nothing of the utter insecurity of the say nothing of the after insecurity of the public revenues under such a system, a new species of legislative power, unknown to the Constitution, would be committed to these irresponsible bank directors, of which no human sagacity can predict the conse-

A just analysis of the operation of grant-log losses by this government bank, in ex-change for the notes of private individuals, will show, that it involves the exercise, on the part of the directors, of the two fold power of appropriating the public revenue in the most dangerous of all forms—discreredundant issue is certainly and immediate-ity followed by a run upon the bank for sibility of the Government to an animited

extent, for the payment of the de same time created against it. These are among the highest functions of legislative power, and have been expressly and exclupower, and have been expressly and exclusively vested in Congress. Unless, therefore, it be assumed, that Congress may rightfully transfer the powers with which it is invested to these bank directors, it will be difficult to find any warrant, either in the latter or spirit of the Constitution, for the creation of this tremandous engine of the creation of the present the spirit of the creation of pecuniary influence. It may, indeed, be doubted, whether all the branches of the legislative authority united, have any con-stitutional power to lend the public revenue, either to individuals, corporations or states, without reference to the objects to which it shall be applied. But, whatever may be the power of Congress on this subject, it appears to the committee to be inexpe-dient, in every view of the question, that the Government should be converted into a great money lender. There is no species of trade in which it would be wise for the Government to embark; but of all the va-riety of pursuits known to human enterprise, that of lending money by the Government to the citizens of the country, would be fraught with the most pernicie onsequences.

In the first place, it is a business to which,

in the very nature of things, no Government is adapted, and, least of all, a popular Government. There is no employment of capital that requires a more vigilant and skilful superintendence. Nothing hules ever active motive of individual interest. supply the watchfulness necessary to secure a banking institution against the grossest frauds and impositions. In pecuniary transactions, few men are to be found who will serve others, in cases involving the exercise of discretionary power, with the same fidelity that they would serve thomselves; and, when we consider the strong motives, both of private friendship and political atsupply the watchfulness necessary to secu both of private friendship and political at tachment, which would operate on the directors of a Government hank, to bestow it requires but little sagacity to foresee that enormous losses would be annually sustained by the insolvency of the Govern

All Governments have found it expedient to place the public Treasury under the guardianship of a high and confidential officer, nided, in the enforcement of a rigid responsibility, by a system of checks and counterchecks, operating upon all the sub-ordinate officers concerned in collecting and disbursing the public revenue. Such is our own system. No discretion is rested in the those that are subordisate, in the appropriation of a single dollar of the public money sury but in consequence of appropriprovident safeguards, and this con barrier, would be prostrated by placing act only the public revenue, but the public aredit, at the disposal of some hundreds of bank directors in various parts of the Union

Our own experience has demonstrated the great danger of having large masses of the community indebted to the government.

mitting some millions of the debt. When, would be the situation of the government, with a debt of fifty millions diffuse throughout the country, and due to it fro the most active, enterprising, and influe the most active, enterprising, and missin-tial classes of the community? Nothing that has not happened can be more certain, than that every unfavourable vicissitude in trade, every period of commercial distress and embarrasament, would give rise to im-portunate and clamorous calls for indul-gence, and for an injudicious extension of discounts, which no administration would have the firmness to resist. Every one who has witnessed the urgency and with which the representatives of the states, indebted for public lands, have pressed the claims of their citizens for indulgence and remission, must be satisfied, that, if the citizens of all the states should become incitizens of all the states should become in-debted much more largely for bank loans, the government would have scarcely any faculty of resistance, when appeals for in-dulgence should come from all quarters of the Union, sustained by the strong plea of

the Union, sustained by the strong plea of public distress and embarrassment.

The policy of extending indulgence to the public debtors, and of granting more liberal loans to the community, would, in the natural course of things, become the favourite theme of those who aspired to popular favour. Political parties would come to be divided upon the question of observing towards the public debtors a strict banking policy, indispensable to the main-tenance of specie payments, on the one hand, or a liberal government policy, ne-cessarily involving a suspension of specie payments, on the other. And when it is considered that the whole class of debtors, always the most numerous and active portion of the community, would be natuportion of the community, went to naturally in favour of increasing bank issues, and extending bank indulgences, it can scarcely be doubted that specie payments would be suspended in the first great percuniary exigency, growing out of the embarrassments in our commerce, or defi-

ciencies in our revenue.

The government, therefore, which is under the most sacred obligations to constrain all the banks to maintain specie payments, and the banks to maintain specie payments. with a view to the aniformity an neas of the currency, would, by its own ex-ample, perpetuate the great national evil of a fluctuating and depreciated circulating

medium.

These evils, which would be so highly probable in time of peace, would be all most certain in the event of war. The temptation to supply the Foderal Treasury by the easy process of lank issues, rather than resort to the unpopular process of in-ternal tanation, would be too including to presisted. We should taus experience, acting as co-partners in one concern? Located every nation has experienced in like cal banks, whatever might be their wilders where the payer currency, having no relation to any standard of intrinsic value. In these views the committee are fully sustained by the continual this place, is a great benefit to the agricularly interest, particularly in enhanced; in own the price of continual interest, particularly in enhanced in this place, is a great benefit to the agricularly interest, particularly interest, particularly in enhanced in this place, is a great benefit to the agricularly interest, particularly interest, particularly interest, particularly interest, particularly interest, particularly interest,

Where to.

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LIST of Transfers directed by the Secretary of the Treasury
and Offices, from 6th June to 14th Incen

Where from

Date.

Date.

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Bank United States
New York
Ditto
New Orleans
Louisville
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Ditto
Bank United States 1,865,000 75,000 50,000 Ditto 115,000 135,000 80,000 Bank United States Baltimore Norfolk Ditto
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Providence
Hartford
New York
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Baltamore
New York
Louisville
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Boston
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New York
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New York
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Boston
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Charleston
Savannah
Mobile
Portsmouth
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